



September 26 2012

*MTS STATEMENT TO THE OSCE HUMAN DIMENSION IMPLEMENTATION MEETING*

My name is Michael Hecker. I am the Vice President of Strategy, Mergers and Acquisitions, and Corporate Development at Mobile TeleSystems, or MTS. MTS is the largest telecommunications provider in Russia and Central Asia and for the past eight years, we have been the leading provider of mobile communications and Internet access in Uzbekistan, serving more than 9.5 million people.

Unfortunately, following a sustained attack on our business, we are left now without an operating license. Our assets have been arrested and confiscated in connection with baseless criminal allegations put forward against our employees by the Uzbek authorities, who have acted in total disregard of the rule of law. Meanwhile, my colleagues in Uzbekistan have been subject to heinous indignities and gross injustices, including denial of the basic rights guaranteed under international human rights conventions.

As an OSCE member, Uzbekistan has committed to observing standards of rule of law, including an independent judiciary and rights to fair trial. Yet the court system has acted in concert with prosecution and regulatory authorities, which have systematically ignored basic due process requirements and made decisions on the merits of these false and exaggerated claims without accepting evidence from the company and without allowing MTS an opportunity to defend itself.

Our experience is the merely the latest among a growing number of companies whose only transgression it seems has been relative success in providing needed products and services to the Uzbek people. By terminating our operations, Uzbek authorities have caused significant instability and major disruptions in the business communities and daily lives of Uzbek citizens.

Uzbekistan has stated publicly its goal of attracting foreign investment. With a proven track record of success in the region, MTS – as one of the few Russian companies publicly traded on the New York Stock Exchange – should have been a prime advocate for the market and as a telecommunications company, a facilitator of economic development. Certainly risk is a part of any investment, but governments that employ tactics of intimidation against investors and their employees should be held accountable by their international peers.

While MTS is pursuing international legal redress, until Uzbekistan consistently upholds the rule of law, we fear others may share our fate. On behalf of MTS, I would like to appeal to the esteemed participants of the Meeting to call for return to the rule of law in Uzbekistan, which is critical for creating a benign environment for foreign investors and fostering economic and social development of the country.

Michael Hecker,

MTS Vice President of Strategy, Mergers and Acquisitions, and Corporate Development